

OFFICE OF THE GOVERNOR

STATE OF HAWAII

SEVENTH PROCLAMATION RELATING TO AFFORDABLE HOUSING

By the authority vested in me by the Constitution and laws of the State of Hawai'i, in order to provide relief for disaster damages, losses, and suffering, and to protect the health, safety, and welfare of the people, I, JOSH GREEN, M.D., Governor of the State of Hawai'i, hereby determine, designate, and proclaim as follows:

WHEREAS, pursuant to Chapter 127A, Hawaii Revised Statutes (HRS), emergency powers are conferred on the Governor of the State of Hawai'i to respond to disasters or emergencies, to maintain the strength, resources, and economic life of the community, and to protect the public health, safety, and welfare; and

WHEREAS, the need for an immediate and profound solution to Hawai'i's affordable housing shortage necessitates the advancement of affordable housing projects in a way that will ensure the production of affordable housing units immediately and going forward; and

WHEREAS, the increasing costs of construction material, labor, and regulatory compliance has significantly impacted the financial viability of affordable housing projects, compelling a reevaluation of funding strategies and resource allocation to ensure these projects continue to develop in the face of escalating expenses; and

WHEREAS, the Hawaii Housing Finance and Development Corporation (HHFDC) is statutorily authorized to grant exemptions to statutes, ordinances, charter provisions, and rules of any government agency relating to planning, zoning, construction standards for subdivisions, development and improvement of land, and the construction of dwelling units thereon; and

WHEREAS, on July 17, 2023, I issued a Proclamation relating to housing that declared an emergency created by the lack of housing for the people of Hawai'i; and

WHEREAS, on September 15, 2023, I issued the Proclamation relating to affordable housing that clarified that the emergency related to the lack of affordable housing for the people of Hawai'i; and

WHEREAS, on October 24, 2023, I issued the Second Proclamation relating to affordable housing that clarified the terms of the Proclamation and that included Rules Relating to the Implementation of the Second Proclamation Relating to Affordable Housing; and

WHEREAS, on December 22, 2023, I issued the Third Proclamation relating to affordable housing that clarified the terms of the Proclamation and that included Rules Relating to the Implementation of the Third Proclamation Relating to Affordable Housing; and

WHEREAS, on January 18, 2024, I issued the Fourth Proclamation relating to affordable housing that clarified the terms of the Proclamation and that included Rules Relating to the Implementation of the Fourth Proclamation Relating to Affordable Housing; and

WHEREAS, on February 20, 2024, I issued the Fifth Proclamation relating to affordable housing that clarified the terms of the Proclamation and that included Rules Relating to the Implementation of the Fifth Proclamation Relating to Affordable Housing (“Emergency Rules”); and

WHEREAS, on April 19, 2024, I issued the Sixth Proclamation relating to affordable housing that clarified the terms of the Proclamation and that included Rules Relating to the Implementation of the Sixth Proclamation Relating to Affordable Housing (“Emergency Rules”); and

WHEREAS, the current threat to the health, safety, and welfare of the people of the State of Hawai‘i caused by the lack of affordable housing continues to constitute an emergency under section 127A-14, HRS, and warrants preemptive and protective actions; and

NOW, THEREFORE, I, JOSH GREEN, M.D., Governor of the State of Hawai‘i, hereby determine and proclaim that an emergency or disaster contemplated by section 127A-14, HRS, has occurred in the State of Hawai‘i, and in order to promote and protect the public health, safety, and welfare of the people of the State of Hawai‘i, and to prepare for and maintain the flexibility to take proactive, preventative, and mitigative measures to minimize the adverse impact that the present emergency may cause on the State and to promote the speedy and safe construction of housing and infrastructure which will minimize the adverse impact that the present emergency may cause on the State, and to work cooperatively and in conjunction with federal and county agencies, do hereby invoke the following measures under the Hawaii Revised Statutes:

I. Emergency Proclamation Execution

Pursuant to sections 127A-12(b)(9) and 127A-12(b)(19), HRS, in order to provide emergency relief consistent with the intent of this Proclamation, I hereby direct the HHFDC to take appropriate action to support and carry out the intent and purposes of this Proclamation. Without limiting the generality of the foregoing, they may coordinate with and convene stakeholders, including but not limited to applicable state and county agencies, legislators, non-profit and for-profit developers, non-profit housing advocates, the labor and trade industries, and community members, boards, and commissions in order to accelerate permitting processes; eliminate duplication; explore innovative approaches to increase the development of housing, including affordable housing, while maintaining health and safety; share best practices; create working groups to advise on the development of affordable housing; coordinate priority housing projects; encourage housing development; and encourage transit-oriented development (TOD), among other things.

This Proclamation shall not apply to the area affected by the Lahaina wildfire as shown in the attached map.

II. Affordable Housing Projects

A. Definitions

1. "Housing," for purposes of this Proclamation, shall include:
 - a. Conversion of existing residential units to affordable or subsidized units;
 - b. Development, redevelopment, or adaptive reuse that results in new residential units offered for sale as owner-occupied units;
 - c. Development, redevelopment, or adaptive reuse that results in new residential units offered for rental to Hawai'i residents for which the unit will be the renter's principal residence;
 - d. Development, redevelopment, or adaptive reuse that results in new income restricted residential units;
 - e. Renovations, rehabilitation, or repair of existing affordable or subsidized units;
 - f. Renovations, rehabilitation, or repair of existing units that will be offered for sale as owner-occupied units;
 - g. Renovations, rehabilitation, or repair of existing units that will be offered for rental to Hawai'i residents for which the unit will be the renter's principal residence;
 - h. Housing projects may include mixed-use/mixed income projects; or
 - i. Infrastructure that will primarily provide services to housing.
2. "Owner-occupied" means a residential unit that, simultaneous to such ownership, serves as the owner's principal residence for a period of not less than five years; provided that the individual shall retain complete possessory control of the premises of the residential unit during this period unless the possessory control is broken as a result of (1) serious illness of any of the owner-occupants; (2) unforeseeable job or military transfer; (3) unforeseeable change in marital status, or change in parental status; or (4) any other unforeseeable occurrence. An individual shall not be deemed to have complete possessory control of the premises if the individual rents, leases, or assigns the premises for any period of time to any other person in whose name legal title is not held; except that an owner shall be deemed to have complete possessory control even when the owner conveys or transfers the unit into a trust for estate planning purposes

and continues in the use of the premises as the owner's principal residence during this period.

3. "Principal residence" is used as defined by the State of Hawai'i Department of Taxation.
4. An "affordable housing project" is:
 - a. A housing project that has entered into an agreement with the HHFDC pursuant to chapter 201H, HRS;
 - b. A housing project that has executed a declaration of restrictive covenants under Revised Ordinances of Honolulu chapter 32 ("Bill 7 projects");
 - c. A housing project that has entered into an agreement with a county pursuant to section 46-15.1, HRS or any county ordinance that has an income restriction requirement; or
 - d. A housing project which desires to utilize the exemption from Section 46-4, HRS, County Zoning, and which intends to apply to HHFDC for Low Income Housing Tax Credits (LIHTC) and enters into an agreement with HHFDC under the LIHTC program at a later date. Certification under this Proclamation shall be subject to the receipt of a LIHTC award from HHFDC.
5. "Certified affordable housing project" is a housing project that HHFDC has certified is:
 - a. An affordable housing project;
 - b. At least 60% of the total units will be offered for sale or rent to applicants who earn 0% to 140% of the area median income (AMI) as determined by the United States Department of Housing and Urban Development; and
 - c. Has entered into an agreement to pay all mechanics and laborers employed on the project minimum prevailing wages for the corresponding work classifications as determined by the Director of the Department of Labor and Industrial Relations pursuant to Chapter 104, HRS, subject to the project labor agreement in place, or otherwise required to pay prevailing wages for the duration of the project until it is completed.
6. "State affordable housing project" or a "county affordable housing project" is an affordable housing project in which the land is owned by the state or county and either the project is subject to a development agreement which includes an affordability restriction or the housing units are owned or have the potential to be owned by right of first refusal by one of the following state housing agencies: Hawaii Public

Housing Authority, Hawaii Housing Finance and Development Corporation, or Hawaii Community Development Authority, or any county or county agency.

B. Application of this Proclamation

1. State affordable housing projects or county affordable housing projects may proceed under this Proclamation.
2. State or county agencies with responsibility for the administration, regulation, production, or infrastructure to support housing may proceed under this Proclamation for purposes of recruitment of personnel and procurement.
3. All other affordable housing projects may apply for consideration to proceed under this Proclamation through certification by the HHFDC.
4. Certification as an affordable housing project will be valid from the date of certification until the earlier of three years or substantial commencement of the project.

III. **Path Forward**

Pursuant to sections 127A-12(b)(1) and (4), HRS, I call on the state and county agencies to cooperate and to forge paths forward to address the affordable housing crisis. The State and the counties should be engaging in discussions regarding mutual aid agreements and what assistance can be provided to speed up the processes that impede the creation of housing across the state.

Pursuant to sections 127A-12(b)(4), (9), (11), (16), and (19), HRS, I direct all state agencies to make the review, planning, approval, and processing of permits related to affordable housing a priority.

IV. **Suspension of Laws**

Section 127A-13(a)(3), HRS, **Additional Powers in an Emergency Period**, to the extent necessary to expedite the construction, repair, renovation, and occupancy of affordable housing and infrastructure projects intended to provide emergency relief under this Proclamation, I hereby suspend the following statutes and regulations:

Section 26-35(a)(4), HRS, **Administrative supervision of boards and commissions**.

Section 37-41, HRS, **Appropriations to Revert to State Treasury; Exceptions**.

Section 37-74(d), HRS, **Program Execution**, except for sections 37-74(d)(2) and 37-74(d)(3), and any such transfers or changes considered to be authorized transfers or changes for purposes of section 34-74(d)(1) for legislative reporting requirements.

Section 40-66, HRS, **Appropriations Lapse**.

Section 46-1.5, HRS, **General Powers and Limitation of the Counties**, and related county code(s), as it applies to the authority to impose impact fees relating to wastewater connection and park dedication for certified affordable housing projects or state or county affordable housing projects, subject to the approval of the county planning director; and, to the extent necessary to allow for the development of adaptive reuse projects without natural light or natural ventilation that are inconsistent with current building codes, subject to the approval of the county building official.

Section 46-4, HRS, **County Zoning**, and related county code(s), to the extent necessary to allow the construction of multi-family residential affordable housing units on any lot that is zoned for commercial or mixed commercial use, subject to the approval of the county planning director.

Section 46-142.5, HRS, **School Impact Districts; New Building Permit Requirements**, as it applies to certified affordable housing projects or state or county affordable housing projects.

Section 46-143, HRS, **Impact Fee Calculation**, as it applies to the imposition of impact fees relating to wastewater connection and park dedication for certified affordable housing projects or state or county affordable housing projects.

Section 46-146, HRS, **Time of Assessment and Collection of Impact Fees**, as it applies to impact fees relating to wastewater connection and park dedication for certified affordable housing projects or state or county affordable housing projects.

Chapter 76, HRS, **Civil Service Law**, to the extent necessary to allow for qualified personnel or contractors to be hired that would be directly involved in the construction, development, or redevelopment of housing, the filling of public housing vacancies, the processing of housing vouchers, or the processing of development related permits, licenses, or approvals, pursuant to the attached emergency rules.

Chapter 89, HRS, **Collective Bargaining in Public Employment**, to the extent necessary to allow for personnel or contractors to be hired that would be directly involved in the construction, development, or redevelopment of housing, the filling of public housing vacancies, the processing of housing vouchers, or the processing of development related permits, licenses, or approvals.

Chapter 89C, HRS, **Public Officers and Employees Excluded from Collective Bargaining**, to the extent necessary to allow for personnel or contractors to be hired that would be directly involved in the construction, development, or redevelopment of housing, the filling of public housing vacancies, the processing of housing vouchers, or the processing of development related permits, licenses, or approvals.

Section 103-2, HRS, **General Fund**.

Chapter 103D, HRS, **Hawaii Public Procurement Code**, to the extent that the department or agency has determined that it is not practicable or advantageous to

procure the services required via traditional procurement methods and the procurement promotes the construction, development, redevelopment, repair, renovation, and occupancy of housing. The suspension is for the solicitation process only and is subject to the attached emergency rules.

Section 104-2(i)(3), HRS, **Applicability; wages, hours, and other requirements.**

Section 107-24(c), HRS, **Authority and duties of the council**, to the extent necessary to suspend the ability of the State Building Code Council to amend or update the Hawai'i state building codes to allow for consistency and stability in the construction of housing. Counties may still update county building codes as authorized by law.

Section 127A-30, HRS, **Rental or sale of essential commodities during a state of emergency; prohibition against price increases**, because the automatic, statewide invocation of this provision is not needed for this emergency. The invocation and suspension of section 127A-30, HRS, contained in my May 3, 2024, Eleventh Proclamation Relating to Wildfires is not affected by this Proclamation.

Section 201H-36(a)(5)(A), HRS, **Exemption from general excise taxes.**

Section 201H-38(a)(3), HRS, **Housing development; Exemption from statutes, ordinances, charter provisions, and rules**, that require approval of the legislative body of the county in which the housing project is situated. This exemption shall be applicable to only state or county affordable housing projects that receive approval of the HHFDC.

Chapter 237, HRS, **General Excise Tax Law**, for Department of Hawaiian Home Lands (DHHL) projects for newly constructed, or moderately or substantially rehabilitated, housing for beneficiaries.

Sections 302A-1601 to 1612, HRS, **School Impact Fees** for DHHL housing projects and new affordable housing developments within a designated school impact district undertaken by DHHL or its contracted developers on DHHL owned land, certified affordable housing projects, or state or county affordable housing projects.

Sections 601-1.5, 708-817, 708-818, 708-820(1)(c), 708-830.5(1)(d), 708-840(1)(c) and (d), HRS, to the extent these sections contain provisions for the suspension, tolling, extension, or granting of relief from deadlines, time schedules, or filing requirements in civil, criminal, or administrative matters before the courts of the state or to the extent that these sections contain provisions for criminal penalties that are automatically heightened by reasons of any declared disaster or emergency.

Pursuant to section 127A-25, HRS, I hereby adopt the Rules Implementing the Seventh Proclamation Relating to Affordable Housing attached hereto. These rules shall have the force and effect of law.

V. State Cooperation

Pursuant to section 127A-12(b), HRS, I hereby direct all state agencies and officers to cooperate with and extend services, materials, and facilities as may be required to assist in all efforts to address the objectives of this Proclamation.

VI. Severability

If any provision of this Proclamation is rendered or declared illegal for any reason, or shall be invalid or unenforceable, such provision shall be modified or deleted, and the remainder of this Proclamation and the application of such provision to other persons or circumstances shall not be affected thereby but shall be enforced to the greatest extent permitted by applicable law.

VII. Enforcement

No provision of this Proclamation, or any rule or regulation hereunder, shall be construed as authorizing any private right of action to enforce any requirement of this Proclamation, or of any rule or regulation. Unless the Governor, Director of Emergency Management, or their designee issues an express order to a non-judicial public officer, no provision of this Proclamation, or any rule or regulation hereunder, shall be construed as imposing any ministerial duty upon any non-judicial public officer and shall not bind the officer to any specific course of action or planning in response to the emergency or interfere with the officer's authority to utilize his or her discretion.

I FURTHER DECLARE that this Proclamation is not intended to create, and does not create, any rights or benefits, whether substantive or procedural, or enforceable at law or in equity, against the State of Hawai'i, the counties of this State, or any State or County agencies, departments, entities, officers, employees, or any other person.

I FURTHER DECLARE that the disaster emergency relief period shall commence immediately and continue through August 17, 2024, unless terminated or superseded by separate proclamation, whichever shall occur first.

Done at the State Capitol, this 18th day of
June, 2024



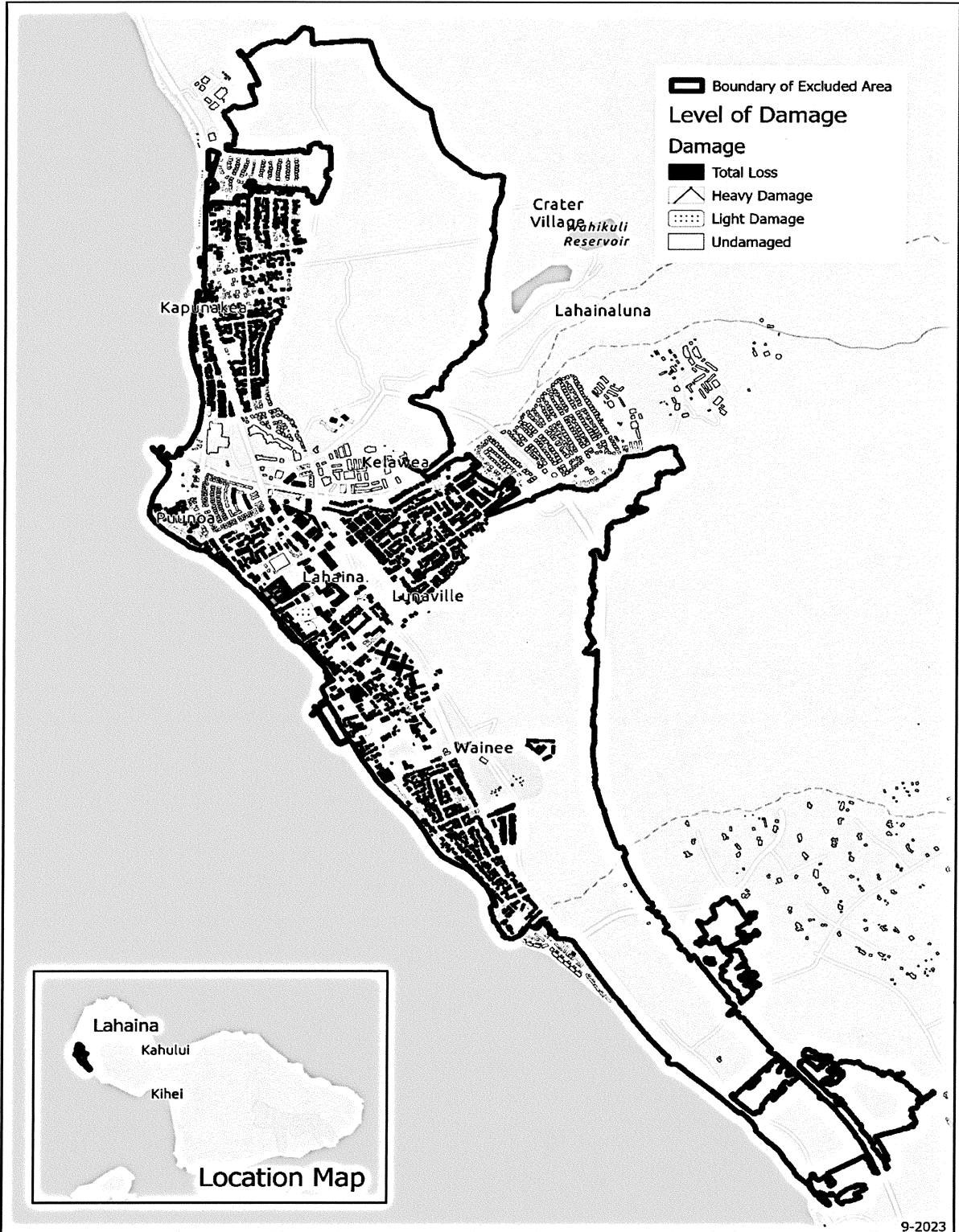
Josh Green, M.D.
Governor of Hawai'i

APPROVED:

Anne E. Lopez

Anne E. Lopez
Attorney General
State of Hawai'i

Map of the Area Affected by the Lahaina Wildfire Excluded Under the Seventh Proclamation Relating to Affordable Housing



**Rules Relating to the Implementation of the
Seventh Proclamation Relating to Affordable Housing**

§ 1 Purpose and Authority

§ 2 Definitions

§ 3 Applicability of Proclamation and Rules

§ 4 Application of Suspended Laws

A. Chapter 76, HRS, Officers and Employees

B. Chapter 103D, HRS, Hawaii Public Procurement Code

C. Section 201H-38(a)(3), HRS, Housing development; exemption from statutes, ordinances, charter provisions, and rules.

§ 1 Purpose and Authority

These rules are intended to expedite the construction, development, and redevelopment of housing under the Seventh Proclamation Relating to Affordable Housing (“Proclamation”).

These rules are adopted pursuant to sections 127A-11, 12, 13, and 25, Hawaii Revised Statutes (HRS), to respond to the affordable housing emergency declared by the Governor and have the force and effect of law.

§ 2 Definitions

“Agency” means any department, office, board, or commission of the state or county government that is part of the executive branch of that government.

§ 3 Applicability of Proclamation and Rules

Certified affordable housing projects not subject to the state or county regulations suspended under the Proclamation shall still meet minimum requirements for health and safety, including applicable floodplain management powers and duties necessary for National Flood Insurance Program participation.

§ 4 Application of Suspended Laws

A. Chapter 76, HRS, Officers and Employees

1. Recruitment and hiring of employees under the Proclamation shall follow, to the extent possible, the principles set forth in section 76-1, HRS.

No person shall be discriminated against in examination, appointment, reinstatement, reemployment, promotion, transfer, demotion, or removal, with respect to any position when the work may be efficiently performed by the person without hazard or danger to the health and safety of the person or others;

2. All positions established under the Proclamation may be exempt from civil service and may be converted to civil service positions at the discretion of the appointing authority. Exempt positions and appointments converted to civil service shall comply with Department of Human Resources Development Policy and Procedure 1000.002 except that all employees converted shall be treated as if they had occupied the position for a minimum of one (1) year. It is the appointing authority's discretion to use an existing established civil service or exempt position or to establish a new position to hire under the Proclamation.
3. Prior to hiring any employee under the Proclamation, the appointing agency shall determine that:
 - a. The employee would be directly involved in the construction, development, or redevelopment of housing, the filling of public housing vacancies, the processing of housing vouchers, or in the processing of development-related permits, licenses, or approvals; and
 - b. It would be impractical or untimely to hire the employee under the civil service system under chapter 76, HRS.
4. The appointing agency shall ensure that all employees hired under the Proclamation meet the following:
 - a. Persons seeking employment meet the requirements necessary for the safe and efficient performance of the duties of the position for which they are being hired;
 - b. Each employee is able to perform their duties satisfactorily; and
 - c. Each employee is qualified to perform the duties and functions of the position that they are being hired into.

B. Chapter 103D, HRS, Hawaii Public Procurement Code

Prior to utilizing the suspension of chapter 103D, HRS, the department has determined that it is not practicable or advantageous to procure the services required via traditional procurement methods. This suspension is for the solicitation process only. Pursuant to section 103D-310(c), HRS, and section 3-122-112, Hawaii

Administrative Rules, the procuring officer shall verify compliance (i.e., vendor is required to provide proof of compliance and may use the Hawaii Compliance Express) for all contracts awarded. Copies of the compliance and the award posting are required to be documented in the procurement/contract file.

The award is required to be posted on the Hawaii Awards and Notices Data System (HANDS) pursuant to Procurement Circular PC2019-05 within seven days after award.

- C. Section 201H-38(a)(3), HRS, Housing development; exemption from statutes, ordinances, charter provisions, and rules.

Section 201H-38(a)(3), HRS, is suspended to allow the county in which a state affordable housing project or county affordable housing project is to be situated to approve the project, with or without modifications, without requiring the county council to approve, approve with modification, or disapprove the project by resolution. Instead, the county may approve, approve with modification, or disapprove the project through action of the county planning director within forty-five days of the receipt of the HHFDC approval. If on the forty-sixth day a project is not disapproved, it shall be deemed approved by the county planning director.